GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:3420
ANSWERED ON:06.08.2002
COAL INDIA LIMITED
RAMJI MANJHI

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Coal India Ltd. and its subsidiarieshave ignored the interest of small and non-core sector consumers who in turn depend on blackmarket for supply of coal and the rural consumers resort to cutting trees to meet their fuel requirement;

(b) if so, the reasons therefor ; and

(c) the steps taken or propose to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL & MINES AND MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a)&(b): No, Sir. CIL and its subsidiary companies are not ignoring the interest of small and non-core sector consumers. On the contrary CIL/Coal companies hold meeting from time to time with consumers/ associations to take stock of the problems faced by consumers, if any and take necessary steps to sort out the problem. Further, coal consumer council set up by DoC both at the national & regional level with representative from FICCI,ASSOCHEM, Public interest nominee also deliberate on problems of the consumers like coal requirement, quality etc. and resolve such issues from time to time. Coal is supplied to small and non-core sector consumers under various schemes namely :-

i) Linked non-core sector consumers draw coal against linkage granted earlier and sponsorship issued by the respective sponsoring authority/state authorities.

ii) Seasonal consumers, like brick manufacturing units do not require linkage and coal is supplied to BRK sector against sponsorship issued by respective state authority.

iii) Coal is also sold on contractual basis under Trade Channel Network Scheme. Under this scheme trade channel operators are selected for various locations through open tender and coal is released against coal supply agreement entered into between supplying subsidiary company of CIL and the operator. Coal sold under Trade Channel Network Scheme can be traded by the trade channel operators.

iv) Coal is also sold to any intending buyer without linkage and sponsorship under ` Open Sales Scheme` (OSS). As per extant norms, coal is offered for sale under OSS from identified sources after meeting the requirement of core sector and linked/ sponsored consumers and contractual buyers.

(c): In order to extend the benefit of de-regulation of coal with the issuance of new Colliery Control Order CIL decided to liberalise the policy for sale of coal to non-core sector. Accordingly CIL Board decided in June, 2001 to authorise subsidiary companies to formulate their own system and procedures for sale of coal to non- core sector. As per the decision, the new policy would aim at being transparent, customer friendly and simpler. The salient features of the proposed sales policy are :

a) Linkage and sponsorship are to be done away with.

b) Supply in future to be based on bilateral fuel supply agreement.

c) Existing valid linked consumers to be offered coal under the new system in the first place. (provided nothing adverse was found during verification drive which is underway presently).

d) Certain quantity to be made available for seasonal consumers like BRK etc.

e) Coal supply to non-core sector to be made in a manner without affecting coal supply to core sector.

f) Additional availability, if any, after meeting requirement of the earlier linked consumers in non-core sector will be offered for intending buyers separately.